Turbine Fuel (ATF) prices, rising employee costs ageing fleet and intense price competition among the airline operators have been the main reasons for the losses. The erstwhile Air India and Indian Airlines have incurred a net loss of Rs. 447.93 crores and Rs. 240.29 crores respectively during the year 2006-07.

(c) and (d) In order to improve the operational performance and profitability, the Government has approved the merger of Air India and Indian Airlines into National Aviation Company of India Limited.

Further, the airlines have been permitted to add more capacity by purchasing 111 state-of-the-art new aircraft. Other commercial measures such as route rationalization along with introduction of services on new routes, product improvement and joining of 'Star Alliance' have been taken by NACIL. These are expected to boost the profits of the company.

(e) while Air India (IC) links Raipur and Bhopal with air connectivity to/from Delhi and Mumbai, there is no proposal at present to operate between Raipur and Bhopal.

Unutilized money with RBI

*574. SHRI S. ANBALAGAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that more then 80,000 crore rupees of Government remain unutilized with the Reserve Bank of India (RBI);

(b) if so, the details thereof and the reasons therefor; and

(c) the steps proposed to be taken by Government in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) No Sir. The cash balances vary on a day to day basis. The cash balances of the Government of India keep fluctuating based on revenue receipts, market borrowings, investments by State Governments in auction treasury bills, intermediate treasury bills, and drawdown on cash balances to meet various items of Government expenditure. The cash balance of the Government of India as on April 28, 2008 deposited with the Reserve Bank of India (RBI) was Rs. 16802 crore. In comparison, as on March 31, 2008, cash balance of Government of India deposited with RBI was Rs. 56,686 crore. Besides, this, Government of India also held an investment balance of Rs. 20,000 crore with RBI.

In terms of Section 21(1) of the Reserve Bank of India (RBI) Act, 1934, the Central Government shall entrust the Bank, on such conditions as may be agreed upon, with all its money, remittance, exchange and banking transactions in India, and in particular, shall deposit free of interest all its cash balances with the Banks.

Import duty on newsprint

*575. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether the Indian Newspaper Society has represented for scrapping the proposed import duty on newsprint and printing machinery which is straining the fiscal viability of print media industry;

(b) whether the rapid growth of electronic media has adversely affected the prospects of print media which values freedom of expression and probity in governance; and

(c) whether to offer a level playing field *vis-a-vis* electronic media, Government would accede to the just demands of the INS?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir. Government has received a representation from the Indian Newspaper Society (INS) for exempting import duty on newsprint and certain types of printing machinery including pre-press and post-press equipment.

(b) According to a report on the Indian entertainment and media industry by Price Waterhouse Coopers, the compound annual growth rate (CAGR) during 2004-07 of newspaper publishing was 15% while that of magazine publishing was 17%. These rates are much higher than the average rate of growth of the economy during this period.

(c) Government has examined the request made by INS and in view of the rise in international prices, a notification dated 29th April, 2008 has been issued, reducing basic customs duty on newsprint from the existing 5% to 3%. Newsprint is already fully exempt from excise duty/CVD as well as 4% special CV duty. As regards printing machines, customs duty is already at a concessional rate of 7.5%, which is applicable for capital goods, in general. For specified high speed printing machines for printing newspapers, concessional customs duty of 5% and concessional countervailing duty of 8% has been provided. At present, Government is not considering any proposal for further reduction in customs duty on newsprint or printing machinery.

Sovereign Wealth Fund

*576. DR. E.M. SUDARSANA NATCHIAPPAN:
DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether Government is contemplating to establish "Sovereign Wealth Fund" as the country is having surplus forex reserves to the extent of $309.16 billion; and

(b) if so, what is the time bound programme for the same?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) There is no such proposal under consideration of the Government at present.

(b) Does not arise.

Report of IFPRI on price control measures

†*577. DR. MURLI MANOHAR JOSHI:
SHRI RAM JETHMALANI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the report released by the International Food Policy Research Institute (IFPRI) which states that the steps taken by Government to control import and export with a view to check price rise are harmful for development;

† Original notice of the question was received in Hindi.